



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB4335

Introduced 1/14/2026, by Rep. Kevin Schmidt

SYNOPSIS AS INTRODUCED:

65 ILCS 5/11-74.4-3

from Ch. 24, par. 11-74.4-3

Amends the Tax Increment Allocation Redevelopment Act in the Illinois Municipal Code. Provides that "redevelopment project costs" includes, among other things, costs of operations, infrastructure, and programming of not-for-profit veterans and military organizations located within the redevelopment project area, including organizations designated as tax-exempt organizations under Section 501(c)(19) of the federal Internal Revenue Code.

LRB104 17075 RTM 30492 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Municipal Code is amended by
5 changing Section 11-74.4-3 as follows:

6 (65 ILCS 5/11-74.4-3) (from Ch. 24, par. 11-74.4-3)

7 Sec. 11-74.4-3. Definitions. The following terms, wherever
8 used or referred to in this Division 74.4 shall have the
9 following respective meanings, unless in any case a different
10 meaning clearly appears from the context.

11 (a) For any redevelopment project area that has been
12 designated pursuant to this Section by an ordinance adopted
13 prior to November 1, 1999 (the effective date of Public Act
14 91-478), "blighted area" shall have the meaning set forth in
15 this Section prior to that date.

16 On and after November 1, 1999, "blighted area" means any
17 improved or vacant area within the boundaries of a
18 redevelopment project area located within the territorial
19 limits of the municipality where:

20 (1) If improved, industrial, commercial, and
21 residential buildings or improvements are detrimental to
22 the public safety, health, or welfare because of a
23 combination of 5 or more of the following factors, each of

1 which is (i) present, with that presence documented, to a
2 meaningful extent so that a municipality may reasonably
3 find that the factor is clearly present within the intent
4 of the Act and (ii) reasonably distributed throughout the
5 improved part of the redevelopment project area:

6 (A) Dilapidation. An advanced state of disrepair
7 or neglect of necessary repairs to the primary
8 structural components of buildings or improvements in
9 such a combination that a documented building
10 condition analysis determines that major repair is
11 required or the defects are so serious and so
12 extensive that the buildings must be removed.

13 (B) Obsolescence. The condition or process of
14 falling into disuse. Structures have become ill-suited
15 for the original use.

16 (C) Deterioration. With respect to buildings,
17 defects including, but not limited to, major defects
18 in the secondary building components such as doors,
19 windows, porches, gutters and downspouts, and fascia.
20 With respect to surface improvements, that the
21 condition of roadways, alleys, curbs, gutters,
22 sidewalks, off-street parking, and surface storage
23 areas evidence deterioration, including, but not
24 limited to, surface cracking, crumbling, potholes,
25 depressions, loose paving material, and weeds
26 protruding through paved surfaces.

1 (D) Presence of structures below minimum code
2 standards. All structures that do not meet the
3 standards of zoning, subdivision, building, fire, and
4 other governmental codes applicable to property, but
5 not including housing and property maintenance codes.

6 (E) Illegal use of individual structures. The use
7 of structures in violation of applicable federal,
8 State, or local laws, exclusive of those applicable to
9 the presence of structures below minimum code
10 standards.

11 (F) Excessive vacancies. The presence of buildings
12 that are unoccupied or under-utilized and that
13 represent an adverse influence on the area because of
14 the frequency, extent, or duration of the vacancies.

15 (G) Lack of ventilation, light, or sanitary
16 facilities. The absence of adequate ventilation for
17 light or air circulation in spaces or rooms without
18 windows, or that require the removal of dust, odor,
19 gas, smoke, or other noxious airborne materials.
20 Inadequate natural light and ventilation means the
21 absence of skylights or windows for interior spaces or
22 rooms and improper window sizes and amounts by room
23 area to window area ratios. Inadequate sanitary
24 facilities refers to the absence or inadequacy of
25 garbage storage and enclosure, bathroom facilities,
26 hot water and kitchens, and structural inadequacies

1 preventing ingress and egress to and from all rooms
2 and units within a building.

3 (H) Inadequate utilities. Underground and overhead
4 utilities such as storm sewers and storm drainage,
5 sanitary sewers, water lines, and gas, telephone, and
6 electrical services that are shown to be inadequate.
7 Inadequate utilities are those that are: (i) of
8 insufficient capacity to serve the uses in the
9 redevelopment project area, (ii) deteriorated,
10 antiquated, obsolete, or in disrepair, or (iii)
11 lacking within the redevelopment project area.

12 (I) Excessive land coverage and overcrowding of
13 structures and community facilities. The
14 over-intensive use of property and the crowding of
15 buildings and accessory facilities onto a site.
16 Examples of problem conditions warranting the
17 designation of an area as one exhibiting excessive
18 land coverage are: (i) the presence of buildings
19 either improperly situated on parcels or located on
20 parcels of inadequate size and shape in relation to
21 present-day standards of development for health and
22 safety and (ii) the presence of multiple buildings on
23 a single parcel. For there to be a finding of excessive
24 land coverage, these parcels must exhibit one or more
25 of the following conditions: insufficient provision
26 for light and air within or around buildings,

1 increased threat of spread of fire due to the close
2 proximity of buildings, lack of adequate or proper
3 access to a public right-of-way, lack of reasonably
4 required off-street parking, or inadequate provision
5 for loading and service.

6 (J) Deleterious land use or layout. The existence
7 of incompatible land-use relationships, buildings
8 occupied by inappropriate mixed-uses, or uses
9 considered to be noxious, offensive, or unsuitable for
10 the surrounding area.

11 (K) Environmental clean-up. The proposed
12 redevelopment project area has incurred Illinois
13 Environmental Protection Agency or United States
14 Environmental Protection Agency remediation costs for,
15 or a study conducted by an independent consultant
16 recognized as having expertise in environmental
17 remediation has determined a need for, the clean-up of
18 hazardous waste, hazardous substances, or underground
19 storage tanks required by State or federal law,
20 provided that the remediation costs constitute a
21 material impediment to the development or
22 redevelopment of the redevelopment project area.

23 (L) Lack of community planning. The proposed
24 redevelopment project area was developed prior to or
25 without the benefit or guidance of a community plan.
26 This means that the development occurred prior to the

1 adoption by the municipality of a comprehensive or
2 other community plan or that the plan was not followed
3 at the time of the area's development. This factor
4 must be documented by evidence of adverse or
5 incompatible land-use relationships, inadequate street
6 layout, improper subdivision, parcels of inadequate
7 shape and size to meet contemporary development
8 standards, or other evidence demonstrating an absence
9 of effective community planning.

10 (M) The total equalized assessed value of the
11 proposed redevelopment project area has declined for 3
12 of the last 5 calendar years prior to the year in which
13 the redevelopment project area is designated or is
14 increasing at an annual rate that is less than the
15 balance of the municipality for 3 of the last 5
16 calendar years for which information is available or
17 is increasing at an annual rate that is less than the
18 Consumer Price Index for All Urban Consumers published
19 by the United States Department of Labor or successor
20 agency for 3 of the last 5 calendar years prior to the
21 year in which the redevelopment project area is
22 designated.

23 (2) If vacant, the sound growth of the redevelopment
24 project area is impaired by a combination of 2 or more of
25 the following factors, each of which is (i) present, with
26 that presence documented, to a meaningful extent so that a

1 municipality may reasonably find that the factor is
2 clearly present within the intent of the Act and (ii)
3 reasonably distributed throughout the vacant part of the
4 redevelopment project area to which it pertains:

5 (A) Obsolete platting of vacant land that results
6 in parcels of limited or narrow size or configurations
7 of parcels of irregular size or shape that would be
8 difficult to develop on a planned basis and in a manner
9 compatible with contemporary standards and
10 requirements, or platting that failed to create
11 rights-of-ways for streets or alleys or that created
12 inadequate right-of-way widths for streets, alleys, or
13 other public rights-of-way or that omitted easements
14 for public utilities.

15 (B) Diversity of ownership of parcels of vacant
16 land sufficient in number to retard or impede the
17 ability to assemble the land for development.

18 (C) Tax and special assessment delinquencies exist
19 or the property has been the subject of tax sales under
20 the Property Tax Code within the last 5 years.

21 (D) Deterioration of structures or site
22 improvements in neighboring areas adjacent to the
23 vacant land.

24 (E) The area has incurred Illinois Environmental
25 Protection Agency or United States Environmental
26 Protection Agency remediation costs for, or a study

1 conducted by an independent consultant recognized as
2 having expertise in environmental remediation has
3 determined a need for, the clean-up of hazardous
4 waste, hazardous substances, or underground storage
5 tanks required by State or federal law, provided that
6 the remediation costs constitute a material impediment
7 to the development or redevelopment of the
8 redevelopment project area.

9 (F) The total equalized assessed value of the
10 proposed redevelopment project area has declined for 3
11 of the last 5 calendar years prior to the year in which
12 the redevelopment project area is designated or is
13 increasing at an annual rate that is less than the
14 balance of the municipality for 3 of the last 5
15 calendar years for which information is available or
16 is increasing at an annual rate that is less than the
17 Consumer Price Index for All Urban Consumers published
18 by the United States Department of Labor or successor
19 agency for 3 of the last 5 calendar years prior to the
20 year in which the redevelopment project area is
21 designated.

22 (3) If vacant, the sound growth of the redevelopment
23 project area is impaired by one of the following factors
24 that (i) is present, with that presence documented, to a
25 meaningful extent so that a municipality may reasonably
26 find that the factor is clearly present within the intent

1 of the Act and (ii) is reasonably distributed throughout
2 the vacant part of the redevelopment project area to which
3 it pertains:

4 (A) The area consists of one or more unused
5 quarries, mines, or strip mine ponds.

6 (B) The area consists of unused rail yards, rail
7 tracks, or railroad rights-of-way.

8 (C) The area, prior to its designation, is subject
9 to (i) chronic flooding that adversely impacts on real
10 property in the area as certified by a registered
11 professional engineer or appropriate regulatory agency
12 or (ii) surface water that discharges from all or a
13 part of the area and contributes to flooding within
14 the same watershed, but only if the redevelopment
15 project provides for facilities or improvements to
16 contribute to the alleviation of all or part of the
17 flooding.

18 (D) The area consists of an unused or illegal
19 disposal site containing earth, stone, building
20 debris, or similar materials that were removed from
21 construction, demolition, excavation, or dredge sites.

22 (E) Prior to November 1, 1999, the area is not less
23 than 50 nor more than 100 acres and 75% of which is
24 vacant (notwithstanding that the area has been used
25 for commercial agricultural purposes within 5 years
26 prior to the designation of the redevelopment project

1 area), and the area meets at least one of the factors
2 itemized in paragraph (1) of this subsection, the area
3 has been designated as a town or village center by
4 ordinance or comprehensive plan adopted prior to
5 January 1, 1982, and the area has not been developed
6 for that designated purpose.

7 (F) The area qualified as a blighted improved area
8 immediately prior to becoming vacant, unless there has
9 been substantial private investment in the immediately
10 surrounding area.

11 (b) For any redevelopment project area that has been
12 designated pursuant to this Section by an ordinance adopted
13 prior to November 1, 1999 (the effective date of Public Act
14 91-478), "conservation area" shall have the meaning set forth
15 in this Section prior to that date.

16 On and after November 1, 1999, "conservation area" means
17 any improved area within the boundaries of a redevelopment
18 project area located within the territorial limits of the
19 municipality in which 50% or more of the structures in the area
20 have an age of 35 years or more. Such an area is not yet a
21 blighted area but because of a combination of 3 or more of the
22 following factors is detrimental to the public safety, health,
23 morals or welfare and such an area may become a blighted area:

24 (1) Dilapidation. An advanced state of disrepair or
25 neglect of necessary repairs to the primary structural
26 components of buildings or improvements in such a

1 combination that a documented building condition analysis
2 determines that major repair is required or the defects
3 are so serious and so extensive that the buildings must be
4 removed.

5 (2) Obsolescence. The condition or process of falling
6 into disuse. Structures have become ill-suited for the
7 original use.

8 (3) Deterioration. With respect to buildings, defects
9 including, but not limited to, major defects in the
10 secondary building components such as doors, windows,
11 porches, gutters and downspouts, and fascia. With respect
12 to surface improvements, that the condition of roadways,
13 alleys, curbs, gutters, sidewalks, off-street parking, and
14 surface storage areas evidence deterioration, including,
15 but not limited to, surface cracking, crumbling, potholes,
16 depressions, loose paving material, and weeds protruding
17 through paved surfaces.

18 (4) Presence of structures below minimum code
19 standards. All structures that do not meet the standards
20 of zoning, subdivision, building, fire, and other
21 governmental codes applicable to property, but not
22 including housing and property maintenance codes.

23 (5) Illegal use of individual structures. The use of
24 structures in violation of applicable federal, State, or
25 local laws, exclusive of those applicable to the presence
26 of structures below minimum code standards.

1 (6) Excessive vacancies. The presence of buildings
2 that are unoccupied or under-utilized and that represent
3 an adverse influence on the area because of the frequency,
4 extent, or duration of the vacancies.

5 (7) Lack of ventilation, light, or sanitary
6 facilities. The absence of adequate ventilation for light
7 or air circulation in spaces or rooms without windows, or
8 that require the removal of dust, odor, gas, smoke, or
9 other noxious airborne materials. Inadequate natural light
10 and ventilation means the absence or inadequacy of
11 skylights or windows for interior spaces or rooms and
12 improper window sizes and amounts by room area to window
13 area ratios. Inadequate sanitary facilities refers to the
14 absence or inadequacy of garbage storage and enclosure,
15 bathroom facilities, hot water and kitchens, and
16 structural inadequacies preventing ingress and egress to
17 and from all rooms and units within a building.

18 (8) Inadequate utilities. Underground and overhead
19 utilities such as storm sewers and storm drainage,
20 sanitary sewers, water lines, and gas, telephone, and
21 electrical services that are shown to be inadequate.
22 Inadequate utilities are those that are: (i) of
23 insufficient capacity to serve the uses in the
24 redevelopment project area, (ii) deteriorated, antiquated,
25 obsolete, or in disrepair, or (iii) lacking within the
26 redevelopment project area.

1 (9) Excessive land coverage and overcrowding of
2 structures and community facilities. The over-intensive
3 use of property and the crowding of buildings and
4 accessory facilities onto a site. Examples of problem
5 conditions warranting the designation of an area as one
6 exhibiting excessive land coverage are: the presence of
7 buildings either improperly situated on parcels or located
8 on parcels of inadequate size and shape in relation to
9 present-day standards of development for health and safety
10 and the presence of multiple buildings on a single parcel.
11 For there to be a finding of excessive land coverage,
12 these parcels must exhibit one or more of the following
13 conditions: insufficient provision for light and air
14 within or around buildings, increased threat of spread of
15 fire due to the close proximity of buildings, lack of
16 adequate or proper access to a public right-of-way, lack
17 of reasonably required off-street parking, or inadequate
18 provision for loading and service.

19 (10) Deleterious land use or layout. The existence of
20 incompatible land-use relationships, buildings occupied by
21 inappropriate mixed-uses, or uses considered to be
22 noxious, offensive, or unsuitable for the surrounding
23 area.

24 (11) Lack of community planning. The proposed
25 redevelopment project area was developed prior to or
26 without the benefit or guidance of a community plan. This

1 means that the development occurred prior to the adoption
2 by the municipality of a comprehensive or other community
3 plan or that the plan was not followed at the time of the
4 area's development. This factor must be documented by
5 evidence of adverse or incompatible land-use
6 relationships, inadequate street layout, improper
7 subdivision, parcels of inadequate shape and size to meet
8 contemporary development standards, or other evidence
9 demonstrating an absence of effective community planning.

10 (12) The area has incurred Illinois Environmental
11 Protection Agency or United States Environmental
12 Protection Agency remediation costs for, or a study
13 conducted by an independent consultant recognized as
14 having expertise in environmental remediation has
15 determined a need for, the clean-up of hazardous waste,
16 hazardous substances, or underground storage tanks
17 required by State or federal law, provided that the
18 remediation costs constitute a material impediment to the
19 development or redevelopment of the redevelopment project
20 area.

21 (13) The total equalized assessed value of the
22 proposed redevelopment project area has declined for 3 of
23 the last 5 calendar years for which information is
24 available or is increasing at an annual rate that is less
25 than the balance of the municipality for 3 of the last 5
26 calendar years for which information is available or is

1 increasing at an annual rate that is less than the
2 Consumer Price Index for All Urban Consumers published by
3 the United States Department of Labor or successor agency
4 for 3 of the last 5 calendar years for which information is
5 available.

6 (c) "Industrial park" means an area in a blighted or
7 conservation area suitable for use by any manufacturing,
8 industrial, research or transportation enterprise, of
9 facilities to include but not be limited to factories, mills,
10 processing plants, assembly plants, packing plants,
11 fabricating plants, industrial distribution centers,
12 warehouses, repair overhaul or service facilities, freight
13 terminals, research facilities, test facilities or railroad
14 facilities.

15 (d) "Industrial park conservation area" means an area
16 within the boundaries of a redevelopment project area located
17 within the territorial limits of a municipality that is a
18 labor surplus municipality or within 1 1/2 miles of the
19 territorial limits of a municipality that is a labor surplus
20 municipality if the area is annexed to the municipality; which
21 area is zoned as industrial no later than at the time the
22 municipality by ordinance designates the redevelopment project
23 area, and which area includes both vacant land suitable for
24 use as an industrial park and a blighted area or conservation
25 area contiguous to such vacant land.

26 (e) "Labor surplus municipality" means a municipality in

1 which, at any time during the 6 months before the municipality
2 by ordinance designates an industrial park conservation area,
3 the unemployment rate was over 6% and was also 100% or more of
4 the national average unemployment rate for that same time as
5 published in the United States Department of Labor Bureau of
6 Labor Statistics publication entitled "The Employment
7 Situation" or its successor publication. For the purpose of
8 this subsection, if unemployment rate statistics for the
9 municipality are not available, the unemployment rate in the
10 municipality shall be deemed to be the same as the
11 unemployment rate in the principal county in which the
12 municipality is located.

13 (f) "Municipality" shall mean a city, village,
14 incorporated town, or a township that is located in the
15 unincorporated portion of a county with 3 million or more
16 inhabitants, if the county adopted an ordinance that approved
17 the township's redevelopment plan.

18 (g) "Initial Sales Tax Amounts" means the amount of taxes
19 paid under the Retailers' Occupation Tax Act, Use Tax Act,
20 Service Use Tax Act, the Service Occupation Tax Act, the
21 Municipal Retailers' Occupation Tax Act, and the Municipal
22 Service Occupation Tax Act by retailers and servicemen on
23 transactions at places located in a State Sales Tax Boundary
24 during the calendar year 1985.

25 (g-1) "Revised Initial Sales Tax Amounts" means the amount
26 of taxes paid under the Retailers' Occupation Tax Act, Use Tax

1 Act, Service Use Tax Act, the Service Occupation Tax Act, the
2 Municipal Retailers' Occupation Tax Act, and the Municipal
3 Service Occupation Tax Act by retailers and servicemen on
4 transactions at places located within the State Sales Tax
5 Boundary revised pursuant to Section 11-74.4-8a(9) of this
6 Act.

7 (h) "Municipal Sales Tax Increment" means an amount equal
8 to the increase in the aggregate amount of taxes paid to a
9 municipality from the Local Government Tax Fund arising from
10 sales by retailers and servicemen within the redevelopment
11 project area or State Sales Tax Boundary, as the case may be,
12 for as long as the redevelopment project area or State Sales
13 Tax Boundary, as the case may be, exist over and above the
14 aggregate amount of taxes as certified by the Illinois
15 Department of Revenue and paid under the Municipal Retailers'
16 Occupation Tax Act and the Municipal Service Occupation Tax
17 Act by retailers and servicemen, on transactions at places of
18 business located in the redevelopment project area or State
19 Sales Tax Boundary, as the case may be, during the base year
20 which shall be the calendar year immediately prior to the year
21 in which the municipality adopted tax increment allocation
22 financing. For purposes of computing the aggregate amount of
23 such taxes for base years occurring prior to 1985, the
24 Department of Revenue shall determine the Initial Sales Tax
25 Amounts for such taxes and deduct therefrom an amount equal to
26 4% of the aggregate amount of taxes per year for each year the

1 base year is prior to 1985, but not to exceed a total deduction
2 of 12%. The amount so determined shall be known as the
3 "Adjusted Initial Sales Tax Amounts". For purposes of
4 determining the Municipal Sales Tax Increment, the Department
5 of Revenue shall for each period subtract from the amount paid
6 to the municipality from the Local Government Tax Fund arising
7 from sales by retailers and servicemen on transactions located
8 in the redevelopment project area or the State Sales Tax
9 Boundary, as the case may be, the certified Initial Sales Tax
10 Amounts, the Adjusted Initial Sales Tax Amounts or the Revised
11 Initial Sales Tax Amounts for the Municipal Retailers'
12 Occupation Tax Act and the Municipal Service Occupation Tax
13 Act. For the State Fiscal Year 1989, this calculation shall be
14 made by utilizing the calendar year 1987 to determine the tax
15 amounts received. For the State Fiscal Year 1990, this
16 calculation shall be made by utilizing the period from January
17 1, 1988, until September 30, 1988, to determine the tax
18 amounts received from retailers and servicemen pursuant to the
19 Municipal Retailers' Occupation Tax and the Municipal Service
20 Occupation Tax Act, which shall have deducted therefrom
21 nine-twelfths of the certified Initial Sales Tax Amounts, the
22 Adjusted Initial Sales Tax Amounts or the Revised Initial
23 Sales Tax Amounts as appropriate. For the State Fiscal Year
24 1991, this calculation shall be made by utilizing the period
25 from October 1, 1988, to June 30, 1989, to determine the tax
26 amounts received from retailers and servicemen pursuant to the

1 Municipal Retailers' Occupation Tax and the Municipal Service
2 Occupation Tax Act which shall have deducted therefrom
3 nine-twelfths of the certified Initial Sales Tax Amounts,
4 Adjusted Initial Sales Tax Amounts or the Revised Initial
5 Sales Tax Amounts as appropriate. For every State Fiscal Year
6 thereafter, the applicable period shall be the 12 months
7 beginning July 1 and ending June 30 to determine the tax
8 amounts received which shall have deducted therefrom the
9 certified Initial Sales Tax Amounts, the Adjusted Initial
10 Sales Tax Amounts or the Revised Initial Sales Tax Amounts, as
11 the case may be.

12 (i) "Net State Sales Tax Increment" means the sum of the
13 following: (a) 80% of the first \$100,000 of State Sales Tax
14 Increment annually generated within a State Sales Tax
15 Boundary; (b) 60% of the amount in excess of \$100,000 but not
16 exceeding \$500,000 of State Sales Tax Increment annually
17 generated within a State Sales Tax Boundary; and (c) 40% of all
18 amounts in excess of \$500,000 of State Sales Tax Increment
19 annually generated within a State Sales Tax Boundary. If,
20 however, a municipality established a tax increment financing
21 district in a county with a population in excess of 3,000,000
22 before January 1, 1986, and the municipality entered into a
23 contract or issued bonds after January 1, 1986, but before
24 December 31, 1986, to finance redevelopment project costs
25 within a State Sales Tax Boundary, then the Net State Sales Tax
26 Increment means, for the fiscal years beginning July 1, 1990,

1 and July 1, 1991, 100% of the State Sales Tax Increment
2 annually generated within a State Sales Tax Boundary; and
3 notwithstanding any other provision of this Act, for those
4 fiscal years the Department of Revenue shall distribute to
5 those municipalities 100% of their Net State Sales Tax
6 Increment before any distribution to any other municipality
7 and regardless of whether or not those other municipalities
8 will receive 100% of their Net State Sales Tax Increment. For
9 Fiscal Year 1999, and every year thereafter until the year
10 2007, for any municipality that has not entered into a
11 contract or has not issued bonds prior to June 1, 1988 to
12 finance redevelopment project costs within a State Sales Tax
13 Boundary, the Net State Sales Tax Increment shall be
14 calculated as follows: By multiplying the Net State Sales Tax
15 Increment by 90% in the State Fiscal Year 1999; 80% in the
16 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%
17 in the State Fiscal Year 2002; 50% in the State Fiscal Year
18 2003; 40% in the State Fiscal Year 2004; 30% in the State
19 Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in
20 the State Fiscal Year 2007. No payment shall be made for State
21 Fiscal Year 2008 and thereafter.

22 Municipalities that issued bonds in connection with a
23 redevelopment project in a redevelopment project area within
24 the State Sales Tax Boundary prior to July 29, 1991, or that
25 entered into contracts in connection with a redevelopment
26 project in a redevelopment project area before June 1, 1988,

1 shall continue to receive their proportional share of the
2 Illinois Tax Increment Fund distribution until the date on
3 which the redevelopment project is completed or terminated.
4 If, however, a municipality that issued bonds in connection
5 with a redevelopment project in a redevelopment project area
6 within the State Sales Tax Boundary prior to July 29, 1991
7 retires the bonds prior to June 30, 2007 or a municipality that
8 entered into contracts in connection with a redevelopment
9 project in a redevelopment project area before June 1, 1988
10 completes the contracts prior to June 30, 2007, then so long as
11 the redevelopment project is not completed or is not
12 terminated, the Net State Sales Tax Increment shall be
13 calculated, beginning on the date on which the bonds are
14 retired or the contracts are completed, as follows: By
15 multiplying the Net State Sales Tax Increment by 60% in the
16 State Fiscal Year 2002; 50% in the State Fiscal Year 2003; 40%
17 in the State Fiscal Year 2004; 30% in the State Fiscal Year
18 2005; 20% in the State Fiscal Year 2006; and 10% in the State
19 Fiscal Year 2007. No payment shall be made for State Fiscal
20 Year 2008 and thereafter. Refunding of any bonds issued prior
21 to July 29, 1991, shall not alter the Net State Sales Tax
22 Increment.

23 (j) "State Utility Tax Increment Amount" means an amount
24 equal to the aggregate increase in State electric and gas tax
25 charges imposed on owners and tenants, other than residential
26 customers, of properties located within the redevelopment

1 project area under Section 9-222 of the Public Utilities Act,
2 over and above the aggregate of such charges as certified by
3 the Department of Revenue and paid by owners and tenants,
4 other than residential customers, of properties within the
5 redevelopment project area during the base year, which shall
6 be the calendar year immediately prior to the year of the
7 adoption of the ordinance authorizing tax increment allocation
8 financing.

9 (k) "Net State Utility Tax Increment" means the sum of the
10 following: (a) 80% of the first \$100,000 of State Utility Tax
11 Increment annually generated by a redevelopment project area;
12 (b) 60% of the amount in excess of \$100,000 but not exceeding
13 \$500,000 of the State Utility Tax Increment annually generated
14 by a redevelopment project area; and (c) 40% of all amounts in
15 excess of \$500,000 of State Utility Tax Increment annually
16 generated by a redevelopment project area. For the State
17 Fiscal Year 1999, and every year thereafter until the year
18 2007, for any municipality that has not entered into a
19 contract or has not issued bonds prior to June 1, 1988 to
20 finance redevelopment project costs within a redevelopment
21 project area, the Net State Utility Tax Increment shall be
22 calculated as follows: By multiplying the Net State Utility
23 Tax Increment by 90% in the State Fiscal Year 1999; 80% in the
24 State Fiscal Year 2000; 70% in the State Fiscal Year 2001; 60%
25 in the State Fiscal Year 2002; 50% in the State Fiscal Year
26 2003; 40% in the State Fiscal Year 2004; 30% in the State

1 Fiscal Year 2005; 20% in the State Fiscal Year 2006; and 10% in
2 the State Fiscal Year 2007. No payment shall be made for the
3 State Fiscal Year 2008 and thereafter.

4 Municipalities that issue bonds in connection with the
5 redevelopment project during the period from June 1, 1988
6 until 3 years after the effective date of this Amendatory Act
7 of 1988 shall receive the Net State Utility Tax Increment,
8 subject to appropriation, for 15 State Fiscal Years after the
9 issuance of such bonds. For the 16th through the 20th State
10 Fiscal Years after issuance of the bonds, the Net State
11 Utility Tax Increment shall be calculated as follows: By
12 multiplying the Net State Utility Tax Increment by 90% in year
13 16; 80% in year 17; 70% in year 18; 60% in year 19; and 50% in
14 year 20. Refunding of any bonds issued prior to June 1, 1988,
15 shall not alter the revised Net State Utility Tax Increment
16 payments set forth above.

17 (l) "Obligations" mean bonds, loans, debentures, notes,
18 special certificates or other evidence of indebtedness issued
19 by the municipality to carry out a redevelopment project or to
20 refund outstanding obligations.

21 (m) "Payment in lieu of taxes" means those estimated tax
22 revenues from real property in a redevelopment project area
23 derived from real property that has been acquired by a
24 municipality which according to the redevelopment project or
25 plan is to be used for a private use which taxing districts
26 would have received had a municipality not acquired the real

1 property and adopted tax increment allocation financing and
2 which would result from levies made after the time of the
3 adoption of tax increment allocation financing to the time the
4 current equalized value of real property in the redevelopment
5 project area exceeds the total initial equalized value of real
6 property in said area.

7 (n) "Redevelopment plan" means the comprehensive program
8 of the municipality for development or redevelopment intended
9 by the payment of redevelopment project costs to reduce or
10 eliminate those conditions the existence of which qualified
11 the redevelopment project area as a "blighted area" or
12 "conservation area" or combination thereof or "industrial park
13 conservation area," and thereby to enhance the tax bases of
14 the taxing districts which extend into the redevelopment
15 project area, provided that, with respect to redevelopment
16 project areas described in subsections (p-1) and (p-2),
17 "redevelopment plan" means the comprehensive program of the
18 affected municipality for the development of qualifying
19 transit facilities. On and after November 1, 1999 (the
20 effective date of Public Act 91-478), no redevelopment plan
21 may be approved or amended that includes the development of
22 vacant land (i) with a golf course and related clubhouse and
23 other facilities or (ii) designated by federal, State, county,
24 or municipal government as public land for outdoor
25 recreational activities or for nature preserves and used for
26 that purpose within 5 years prior to the adoption of the

1 redevelopment plan. For the purpose of this subsection,
2 "recreational activities" is limited to mean camping and
3 hunting. Each redevelopment plan shall set forth in writing
4 the program to be undertaken to accomplish the objectives and
5 shall include but not be limited to:

6 (A) an itemized list of estimated redevelopment
7 project costs;

8 (B) evidence indicating that the redevelopment project
9 area on the whole has not been subject to growth and
10 development through investment by private enterprise,
11 provided that such evidence shall not be required for any
12 redevelopment project area located within a transit
13 facility improvement area established pursuant to Section
14 11-74.4-3.3;

15 (C) an assessment of any financial impact of the
16 redevelopment project area on or any increased demand for
17 services from any taxing district affected by the plan and
18 any program to address such financial impact or increased
19 demand;

20 (D) the sources of funds to pay costs;

21 (E) the nature and term of the obligations to be
22 issued;

23 (F) the most recent equalized assessed valuation of
24 the redevelopment project area;

25 (G) an estimate as to the equalized assessed valuation
26 after redevelopment and the general land uses to apply in

1 the redevelopment project area;

2 (H) a commitment to fair employment practices and an
3 affirmative action plan;

4 (I) if it concerns an industrial park conservation
5 area, the plan shall also include a general description of
6 any proposed developer, user and tenant of any property, a
7 description of the type, structure and general character
8 of the facilities to be developed, a description of the
9 type, class and number of new employees to be employed in
10 the operation of the facilities to be developed; and

11 (J) if property is to be annexed to the municipality,
12 the plan shall include the terms of the annexation
13 agreement.

14 The provisions of items (B) and (C) of this subsection (n)
15 shall not apply to a municipality that before March 14, 1994
16 (the effective date of Public Act 88-537) had fixed, either by
17 its corporate authorities or by a commission designated under
18 subsection (k) of Section 11-74.4-4, a time and place for a
19 public hearing as required by subsection (a) of Section
20 11-74.4-5. No redevelopment plan shall be adopted unless a
21 municipality complies with all of the following requirements:

22 (1) The municipality finds that the redevelopment
23 project area on the whole has not been subject to growth
24 and development through investment by private enterprise
25 and would not reasonably be anticipated to be developed
26 without the adoption of the redevelopment plan, provided,

1 however, that such a finding shall not be required with
2 respect to any redevelopment project area located within a
3 transit facility improvement area established pursuant to
4 Section 11-74.4-3.3.

5 (2) The municipality finds that the redevelopment plan
6 and project conform to the comprehensive plan for the
7 development of the municipality as a whole, or, for
8 municipalities with a population of 100,000 or more,
9 regardless of when the redevelopment plan and project was
10 adopted, the redevelopment plan and project either: (i)
11 conforms to the strategic economic development or
12 redevelopment plan issued by the designated planning
13 authority of the municipality, or (ii) includes land uses
14 that have been approved by the planning commission of the
15 municipality.

16 (3) The redevelopment plan establishes the estimated
17 dates of completion of the redevelopment project and
18 retirement of obligations issued to finance redevelopment
19 project costs. Those dates may not be later than the dates
20 set forth under Section 11-74.4-3.5.

21 A municipality may by municipal ordinance amend an
22 existing redevelopment plan to conform to this paragraph
23 (3) as amended by Public Act 91-478, which municipal
24 ordinance may be adopted without further hearing or notice
25 and without complying with the procedures provided in this
26 Act pertaining to an amendment to or the initial approval

1 of a redevelopment plan and project and designation of a
2 redevelopment project area.

3 (3.5) The municipality finds, in the case of an
4 industrial park conservation area, also that the
5 municipality is a labor surplus municipality and that the
6 implementation of the redevelopment plan will reduce
7 unemployment, create new jobs and by the provision of new
8 facilities enhance the tax base of the taxing districts
9 that extend into the redevelopment project area.

10 (4) If any incremental revenues are being utilized
11 under Section 8(a)(1) or 8(a)(2) of this Act in
12 redevelopment project areas approved by ordinance after
13 January 1, 1986, the municipality finds: (a) that the
14 redevelopment project area would not reasonably be
15 developed without the use of such incremental revenues,
16 and (b) that such incremental revenues will be exclusively
17 utilized for the development of the redevelopment project
18 area.

19 (5) If: (a) the redevelopment plan will not result in
20 displacement of residents from 10 or more inhabited
21 residential units, and the municipality certifies in the
22 plan that such displacement will not result from the plan;
23 or (b) the redevelopment plan is for a redevelopment
24 project area or a qualifying transit facility located
25 within a transit facility improvement area established
26 pursuant to Section 11-74.4-3.3, and the applicable

1 project is subject to the process for evaluation of
2 environmental effects under the National Environmental
3 Policy Act of 1969, 42 U.S.C. 4321 et seq., then a housing
4 impact study need not be performed. If, however, the
5 redevelopment plan would result in the displacement of
6 residents from 10 or more inhabited residential units, or
7 if the redevelopment project area contains 75 or more
8 inhabited residential units and no certification is made,
9 then the municipality shall prepare, as part of the
10 separate feasibility report required by subsection (a) of
11 Section 11-74.4-5, a housing impact study.

12 Part I of the housing impact study shall include (i)
13 data as to whether the residential units are single family
14 or multi-family units, (ii) the number and type of rooms
15 within the units, if that information is available, (iii)
16 whether the units are inhabited or uninhabited, as
17 determined not less than 45 days before the date that the
18 ordinance or resolution required by subsection (a) of
19 Section 11-74.4-5 is passed, and (iv) data as to the
20 racial and ethnic composition of the residents in the
21 inhabited residential units. The data requirement as to
22 the racial and ethnic composition of the residents in the
23 inhabited residential units shall be deemed to be fully
24 satisfied by data from the most recent federal census.

25 Part II of the housing impact study shall identify the
26 inhabited residential units in the proposed redevelopment

1 project area that are to be or may be removed. If inhabited
2 residential units are to be removed, then the housing
3 impact study shall identify (i) the number and location of
4 those units that will or may be removed, (ii) the
5 municipality's plans for relocation assistance for those
6 residents in the proposed redevelopment project area whose
7 residences are to be removed, (iii) the availability of
8 replacement housing for those residents whose residences
9 are to be removed, and shall identify the type, location,
10 and cost of the housing, and (iv) the type and extent of
11 relocation assistance to be provided.

12 (6) On and after November 1, 1999, the housing impact
13 study required by paragraph (5) shall be incorporated in
14 the redevelopment plan for the redevelopment project area.

15 (7) On and after November 1, 1999, no redevelopment
16 plan shall be adopted, nor an existing plan amended, nor
17 shall residential housing that is occupied by households
18 of low-income and very low-income persons in currently
19 existing redevelopment project areas be removed after
20 November 1, 1999 unless the redevelopment plan provides,
21 with respect to inhabited housing units that are to be
22 removed for households of low-income and very low-income
23 persons, affordable housing and relocation assistance not
24 less than that which would be provided under the federal
25 Uniform Relocation Assistance and Real Property
26 Acquisition Policies Act of 1970 and the regulations under

1 that Act, including the eligibility criteria. Affordable
2 housing may be either existing or newly constructed
3 housing. For purposes of this paragraph (7), "low-income
4 households", "very low-income households", and "affordable
5 housing" have the meanings set forth in the Illinois
6 Affordable Housing Act. The municipality shall make a good
7 faith effort to ensure that this affordable housing is
8 located in or near the redevelopment project area within
9 the municipality.

10 (8) On and after November 1, 1999, if, after the
11 adoption of the redevelopment plan for the redevelopment
12 project area, any municipality desires to amend its
13 redevelopment plan to remove more inhabited residential
14 units than specified in its original redevelopment plan,
15 that change shall be made in accordance with the
16 procedures in subsection (c) of Section 11-74.4-5.

17 (9) For redevelopment project areas designated prior
18 to November 1, 1999, the redevelopment plan may be amended
19 without further joint review board meeting or hearing,
20 provided that the municipality shall give notice of any
21 such changes by mail to each affected taxing district and
22 registrant on the interested party registry, to authorize
23 the municipality to expend tax increment revenues for
24 redevelopment project costs defined by paragraphs (5) and
25 (7.5), subparagraphs (E) and (F) of paragraph (11), and
26 paragraph (11.5) of subsection (q) of Section 11-74.4-3,

1 so long as the changes do not increase the total estimated
2 redevelopment project costs set out in the redevelopment
3 plan by more than 5% after adjustment for inflation from
4 the date the plan was adopted.

5 (o) "Redevelopment project" means any public and private
6 development project in furtherance of the objectives of a
7 redevelopment plan. On and after November 1, 1999 (the
8 effective date of Public Act 91-478), no redevelopment plan
9 may be approved or amended that includes the development of
10 vacant land (i) with a golf course and related clubhouse and
11 other facilities or (ii) designated by federal, State, county,
12 or municipal government as public land for outdoor
13 recreational activities or for nature preserves and used for
14 that purpose within 5 years prior to the adoption of the
15 redevelopment plan. For the purpose of this subsection,
16 "recreational activities" is limited to mean camping and
17 hunting.

18 (p) "Redevelopment project area" means an area designated
19 by the municipality, which is not less in the aggregate than 1
20 1/2 acres and in respect to which the municipality has made a
21 finding that there exist conditions which cause the area to be
22 classified as an industrial park conservation area or a
23 blighted area or a conservation area, or a combination of both
24 blighted areas and conservation areas.

25 (p-1) Notwithstanding any provision of this Act to the
26 contrary, on and after August 25, 2009 (the effective date of

1 Public Act 96-680), a redevelopment project area may include
2 areas within a one-half mile radius of an existing or proposed
3 Regional Transportation Authority Suburban Transit Access
4 Route (STAR Line) station without a finding that the area is
5 classified as an industrial park conservation area, a blighted
6 area, a conservation area, or a combination thereof, but only
7 if the municipality receives unanimous consent from the joint
8 review board created to review the proposed redevelopment
9 project area.

10 (p-2) Notwithstanding any provision of this Act to the
11 contrary, on and after the effective date of this amendatory
12 Act of the 99th General Assembly, a redevelopment project area
13 may include areas within a transit facility improvement area
14 that has been established pursuant to Section 11-74.4-3.3
15 without a finding that the area is classified as an industrial
16 park conservation area, a blighted area, a conservation area,
17 or any combination thereof.

18 (q) "Redevelopment project costs", except for
19 redevelopment project areas created pursuant to subsection
20 (p-1) or (p-2), means and includes the sum total of all
21 reasonable or necessary costs incurred or estimated to be
22 incurred, and any such costs incidental to a redevelopment
23 plan and a redevelopment project. Such costs include, without
24 limitation, the following:

- 25 (1) Costs of studies, surveys, development of plans,
26 and specifications, implementation and administration of

1 the redevelopment plan including but not limited to staff
2 and professional service costs for architectural,
3 engineering, legal, financial, planning or other services,
4 provided however that no charges for professional services
5 may be based on a percentage of the tax increment
6 collected; except that on and after November 1, 1999 (the
7 effective date of Public Act 91-478), no contracts for
8 professional services, excluding architectural and
9 engineering services, may be entered into if the terms of
10 the contract extend beyond a period of 3 years. In
11 addition, "redevelopment project costs" shall not include
12 lobbying expenses. After consultation with the
13 municipality, each tax increment consultant or advisor to
14 a municipality that plans to designate or has designated a
15 redevelopment project area shall inform the municipality
16 in writing of any contracts that the consultant or advisor
17 has entered into with entities or individuals that have
18 received, or are receiving, payments financed by tax
19 increment revenues produced by the redevelopment project
20 area with respect to which the consultant or advisor has
21 performed, or will be performing, service for the
22 municipality. This requirement shall be satisfied by the
23 consultant or advisor before the commencement of services
24 for the municipality and thereafter whenever any other
25 contracts with those individuals or entities are executed
26 by the consultant or advisor;

1 (1.5) After July 1, 1999, annual administrative costs
2 shall not include general overhead or administrative costs
3 of the municipality that would still have been incurred by
4 the municipality if the municipality had not designated a
5 redevelopment project area or approved a redevelopment
6 plan;

7 (1.6) The cost of marketing sites within the
8 redevelopment project area to prospective businesses,
9 developers, and investors;

10 (2) Property assembly costs, including but not limited
11 to acquisition of land and other property, real or
12 personal, or rights or interests therein, demolition of
13 buildings, site preparation, site improvements that serve
14 as an engineered barrier addressing ground level or below
15 ground environmental contamination, including, but not
16 limited to parking lots and other concrete or asphalt
17 barriers, and the clearing and grading of land;

18 (3) Costs of rehabilitation, reconstruction or repair
19 or remodeling of existing public or private buildings,
20 fixtures, and leasehold improvements; and the cost of
21 replacing an existing public building if pursuant to the
22 implementation of a redevelopment project the existing
23 public building is to be demolished to use the site for
24 private investment or devoted to a different use requiring
25 private investment; including any direct or indirect costs
26 relating to Green Globes or LEED certified construction

1 elements or construction elements with an equivalent
2 certification;

3 (4) Costs of the construction of public works or
4 improvements, including any direct or indirect costs
5 relating to Green Globes or LEED certified construction
6 elements or construction elements with an equivalent
7 certification, except that on and after November 1, 1999,
8 redevelopment project costs shall not include the cost of
9 constructing a new municipal public building principally
10 used to provide offices, storage space, or conference
11 facilities or vehicle storage, maintenance, or repair for
12 administrative, public safety, or public works personnel
13 and that is not intended to replace an existing public
14 building as provided under paragraph (3) of subsection (q)
15 of Section 11-74.4-3 unless either (i) the construction of
16 the new municipal building implements a redevelopment
17 project that was included in a redevelopment plan that was
18 adopted by the municipality prior to November 1, 1999,
19 (ii) the municipality makes a reasonable determination in
20 the redevelopment plan, supported by information that
21 provides the basis for that determination, that the new
22 municipal building is required to meet an increase in the
23 need for public safety purposes anticipated to result from
24 the implementation of the redevelopment plan, or (iii) the
25 new municipal public building is for the storage,
26 maintenance, or repair of transit vehicles and is located

1 in a transit facility improvement area that has been
2 established pursuant to Section 11-74.4-3.3;

3 (5) Costs of job training and retraining projects,
4 including the cost of "welfare to work" programs
5 implemented by businesses located within the redevelopment
6 project area;

7 (6) Financing costs, including but not limited to all
8 necessary and incidental expenses related to the issuance
9 of obligations and which may include payment of interest
10 on any obligations issued hereunder including interest
11 accruing during the estimated period of construction of
12 any redevelopment project for which such obligations are
13 issued and for not exceeding 36 months thereafter and
14 including reasonable reserves related thereto;

15 (7) To the extent the municipality by written
16 agreement accepts and approves the same, all or a portion
17 of a taxing district's capital costs resulting from the
18 redevelopment project necessarily incurred or to be
19 incurred within a taxing district in furtherance of the
20 objectives of the redevelopment plan and project;

21 (7.5) For redevelopment project areas designated (or
22 redevelopment project areas amended to add or increase the
23 number of tax-increment-financing assisted housing units)
24 on or after November 1, 1999, an elementary, secondary, or
25 unit school district's increased costs attributable to
26 assisted housing units located within the redevelopment

1 project area for which the developer or redeveloper
2 receives financial assistance through an agreement with
3 the municipality or because the municipality incurs the
4 cost of necessary infrastructure improvements within the
5 boundaries of the assisted housing sites necessary for the
6 completion of that housing as authorized by this Act, and
7 which costs shall be paid by the municipality from the
8 Special Tax Allocation Fund when the tax increment revenue
9 is received as a result of the assisted housing units and
10 shall be calculated annually as follows:

11 (A) for foundation districts, excluding any school
12 district in a municipality with a population in excess
13 of 1,000,000, by multiplying the district's increase
14 in attendance resulting from the net increase in new
15 students enrolled in that school district who reside
16 in housing units within the redevelopment project area
17 that have received financial assistance through an
18 agreement with the municipality or because the
19 municipality incurs the cost of necessary
20 infrastructure improvements within the boundaries of
21 the housing sites necessary for the completion of that
22 housing as authorized by this Act since the
23 designation of the redevelopment project area by the
24 most recently available per capita tuition cost as
25 defined in Section 10-20.12a of the School Code less
26 any increase in general State aid as defined in

1 Section 18-8.05 of the School Code or evidence-based
2 funding as defined in Section 18-8.15 of the School
3 Code attributable to these added new students subject
4 to the following annual limitations:

5 (i) for unit school districts with a district
6 average 1995-96 Per Capita Tuition Charge of less
7 than \$5,900, no more than 25% of the total amount
8 of property tax increment revenue produced by
9 those housing units that have received tax
10 increment finance assistance under this Act;

11 (ii) for elementary school districts with a
12 district average 1995-96 Per Capita Tuition Charge
13 of less than \$5,900, no more than 17% of the total
14 amount of property tax increment revenue produced
15 by those housing units that have received tax
16 increment finance assistance under this Act; and

17 (iii) for secondary school districts with a
18 district average 1995-96 Per Capita Tuition Charge
19 of less than \$5,900, no more than 8% of the total
20 amount of property tax increment revenue produced
21 by those housing units that have received tax
22 increment finance assistance under this Act.

23 (B) For alternate method districts, flat grant
24 districts, and foundation districts with a district
25 average 1995-96 Per Capita Tuition Charge equal to or
26 more than \$5,900, excluding any school district with a

1 population in excess of 1,000,000, by multiplying the
2 district's increase in attendance resulting from the
3 net increase in new students enrolled in that school
4 district who reside in housing units within the
5 redevelopment project area that have received
6 financial assistance through an agreement with the
7 municipality or because the municipality incurs the
8 cost of necessary infrastructure improvements within
9 the boundaries of the housing sites necessary for the
10 completion of that housing as authorized by this Act
11 since the designation of the redevelopment project
12 area by the most recently available per capita tuition
13 cost as defined in Section 10-20.12a of the School
14 Code less any increase in general state aid as defined
15 in Section 18-8.05 of the School Code or
16 evidence-based funding as defined in Section 18-8.15
17 of the School Code attributable to these added new
18 students subject to the following annual limitations:

19 (i) for unit school districts, no more than
20 40% of the total amount of property tax increment
21 revenue produced by those housing units that have
22 received tax increment finance assistance under
23 this Act;

24 (ii) for elementary school districts, no more
25 than 27% of the total amount of property tax
26 increment revenue produced by those housing units

1 that have received tax increment finance
2 assistance under this Act; and

3 (iii) for secondary school districts, no more
4 than 13% of the total amount of property tax
5 increment revenue produced by those housing units
6 that have received tax increment finance
7 assistance under this Act.

8 (C) For any school district in a municipality with
9 a population in excess of 1,000,000, the following
10 restrictions shall apply to the reimbursement of
11 increased costs under this paragraph (7.5):

12 (i) no increased costs shall be reimbursed
13 unless the school district certifies that each of
14 the schools affected by the assisted housing
15 project is at or over its student capacity;

16 (ii) the amount reimbursable shall be reduced
17 by the value of any land donated to the school
18 district by the municipality or developer, and by
19 the value of any physical improvements made to the
20 schools by the municipality or developer; and

21 (iii) the amount reimbursed may not affect
22 amounts otherwise obligated by the terms of any
23 bonds, notes, or other funding instruments, or the
24 terms of any redevelopment agreement.

25 Any school district seeking payment under this
26 paragraph (7.5) shall, after July 1 and before

1 September 30 of each year, provide the municipality
2 with reasonable evidence to support its claim for
3 reimbursement before the municipality shall be
4 required to approve or make the payment to the school
5 district. If the school district fails to provide the
6 information during this period in any year, it shall
7 forfeit any claim to reimbursement for that year.
8 School districts may adopt a resolution waiving the
9 right to all or a portion of the reimbursement
10 otherwise required by this paragraph (7.5). By
11 acceptance of this reimbursement the school district
12 waives the right to directly or indirectly set aside,
13 modify, or contest in any manner the establishment of
14 the redevelopment project area or projects;

15 (7.7) For redevelopment project areas designated (or
16 redevelopment project areas amended to add or increase the
17 number of tax-increment-financing assisted housing units)
18 on or after January 1, 2005 (the effective date of Public
19 Act 93-961), a public library district's increased costs
20 attributable to assisted housing units located within the
21 redevelopment project area for which the developer or
22 redeveloper receives financial assistance through an
23 agreement with the municipality or because the
24 municipality incurs the cost of necessary infrastructure
25 improvements within the boundaries of the assisted housing
26 sites necessary for the completion of that housing as

1 authorized by this Act shall be paid to the library
2 district by the municipality from the Special Tax
3 Allocation Fund when the tax increment revenue is received
4 as a result of the assisted housing units. This paragraph
5 (7.7) applies only if (i) the library district is located
6 in a county that is subject to the Property Tax Extension
7 Limitation Law or (ii) the library district is not located
8 in a county that is subject to the Property Tax Extension
9 Limitation Law but the district is prohibited by any other
10 law from increasing its tax levy rate without a prior
11 voter referendum.

12 The amount paid to a library district under this
13 paragraph (7.7) shall be calculated by multiplying (i) the
14 net increase in the number of persons eligible to obtain a
15 library card in that district who reside in housing units
16 within the redevelopment project area that have received
17 financial assistance through an agreement with the
18 municipality or because the municipality incurs the cost
19 of necessary infrastructure improvements within the
20 boundaries of the housing sites necessary for the
21 completion of that housing as authorized by this Act since
22 the designation of the redevelopment project area by (ii)
23 the per-patron cost of providing library services so long
24 as it does not exceed \$120. The per-patron cost shall be
25 the Total Operating Expenditures Per Capita for the
26 library in the previous fiscal year. The municipality may

1 deduct from the amount that it must pay to a library
2 district under this paragraph any amount that it has
3 voluntarily paid to the library district from the tax
4 increment revenue. The amount paid to a library district
5 under this paragraph (7.7) shall be no more than 2% of the
6 amount produced by the assisted housing units and
7 deposited into the Special Tax Allocation Fund.

8 A library district is not eligible for any payment
9 under this paragraph (7.7) unless the library district has
10 experienced an increase in the number of patrons from the
11 municipality that created the tax-increment-financing
12 district since the designation of the redevelopment
13 project area.

14 Any library district seeking payment under this
15 paragraph (7.7) shall, after July 1 and before September
16 30 of each year, provide the municipality with convincing
17 evidence to support its claim for reimbursement before the
18 municipality shall be required to approve or make the
19 payment to the library district. If the library district
20 fails to provide the information during this period in any
21 year, it shall forfeit any claim to reimbursement for that
22 year. Library districts may adopt a resolution waiving the
23 right to all or a portion of the reimbursement otherwise
24 required by this paragraph (7.7). By acceptance of such
25 reimbursement, the library district shall forfeit any
26 right to directly or indirectly set aside, modify, or

1 contest in any manner whatsoever the establishment of the
2 redevelopment project area or projects;

3 (8) Relocation costs to the extent that a municipality
4 determines that relocation costs shall be paid or is
5 required to make payment of relocation costs by federal or
6 State law or in order to satisfy subparagraph (7) of
7 subsection (n);

8 (9) Payment in lieu of taxes;

9 (10) Costs of job training, retraining, advanced
10 vocational education or career education, including but
11 not limited to courses in occupational, semi-technical or
12 technical fields leading directly to employment, incurred
13 by one or more taxing districts, provided that such costs
14 (i) are related to the establishment and maintenance of
15 additional job training, advanced vocational education or
16 career education programs for persons employed or to be
17 employed by employers located in a redevelopment project
18 area; and (ii) when incurred by a taxing district or
19 taxing districts other than the municipality, are set
20 forth in a written agreement by or among the municipality
21 and the taxing district or taxing districts, which
22 agreement describes the program to be undertaken,
23 including but not limited to the number of employees to be
24 trained, a description of the training and services to be
25 provided, the number and type of positions available or to
26 be available, itemized costs of the program and sources of

1 funds to pay for the same, and the term of the agreement.
2 Such costs include, specifically, the payment by community
3 college districts of costs pursuant to Sections 3-37,
4 3-38, 3-40 and 3-40.1 of the Public Community College Act
5 and by school districts of costs pursuant to Sections
6 10-22.20a and 10-23.3a of the School Code;

7 (11) Interest cost incurred by a redeveloper related
8 to the construction, renovation or rehabilitation of a
9 redevelopment project provided that:

10 (A) such costs are to be paid directly from the
11 special tax allocation fund established pursuant to
12 this Act;

13 (B) such payments in any one year may not exceed
14 30% of the annual interest costs incurred by the
15 redeveloper with regard to the redevelopment project
16 during that year;

17 (C) if there are not sufficient funds available in
18 the special tax allocation fund to make the payment
19 pursuant to this paragraph (11) then the amounts so
20 due shall accrue and be payable when sufficient funds
21 are available in the special tax allocation fund;

22 (D) the total of such interest payments paid
23 pursuant to this Act may not exceed 30% of the total
24 (i) cost paid or incurred by the redeveloper for the
25 redevelopment project plus (ii) redevelopment project
26 costs excluding any property assembly costs and any

1 relocation costs incurred by a municipality pursuant
2 to this Act;

3 (E) the cost limits set forth in subparagraphs (B)
4 and (D) of paragraph (11) shall be modified for the
5 financing of rehabilitated or new housing units for
6 low-income households and very low-income households,
7 as defined in Section 3 of the Illinois Affordable
8 Housing Act. The percentage of 75% shall be
9 substituted for 30% in subparagraphs (B) and (D) of
10 paragraph (11); and

11 (F) instead of the eligible costs provided by
12 subparagraphs (B) and (D) of paragraph (11), as
13 modified by this subparagraph, and notwithstanding any
14 other provisions of this Act to the contrary, the
15 municipality may pay from tax increment revenues up to
16 50% of the cost of construction of new housing units to
17 be occupied by low-income households and very
18 low-income households as defined in Section 3 of the
19 Illinois Affordable Housing Act. The cost of
20 construction of those units may be derived from the
21 proceeds of bonds issued by the municipality under
22 this Act or other constitutional or statutory
23 authority or from other sources of municipal revenue
24 that may be reimbursed from tax increment revenues or
25 the proceeds of bonds issued to finance the
26 construction of that housing.

1 The eligible costs provided under this
2 subparagraph (F) of paragraph (11) shall be an
3 eligible cost for the construction, renovation, and
4 rehabilitation of all low and very low-income housing
5 units, as defined in Section 3 of the Illinois
6 Affordable Housing Act, within the redevelopment
7 project area. If the low and very low-income units are
8 part of a residential redevelopment project that
9 includes units not affordable to low and very
10 low-income households, only the low and very
11 low-income units shall be eligible for benefits under
12 this subparagraph (F) of paragraph (11). The standards
13 for maintaining the occupancy by low-income households
14 and very low-income households, as defined in Section
15 3 of the Illinois Affordable Housing Act, of those
16 units constructed with eligible costs made available
17 under the provisions of this subparagraph (F) of
18 paragraph (11) shall be established by guidelines
19 adopted by the municipality. The responsibility for
20 annually documenting the initial occupancy of the
21 units by low-income households and very low-income
22 households, as defined in Section 3 of the Illinois
23 Affordable Housing Act, shall be that of the then
24 current owner of the property. For ownership units,
25 the guidelines will provide, at a minimum, for a
26 reasonable recapture of funds, or other appropriate

1 methods designed to preserve the original
2 affordability of the ownership units. For rental
3 units, the guidelines will provide, at a minimum, for
4 the affordability of rent to low and very low-income
5 households. As units become available, they shall be
6 rented to income-eligible tenants. The municipality
7 may modify these guidelines from time to time; the
8 guidelines, however, shall be in effect for as long as
9 tax increment revenue is being used to pay for costs
10 associated with the units or for the retirement of
11 bonds issued to finance the units or for the life of
12 the redevelopment project area, whichever is later;

13 (11.5) If the redevelopment project area is located
14 within a municipality with a population of more than
15 100,000, the cost of day care services for children of
16 employees from low-income families working for businesses
17 located within the redevelopment project area and all or a
18 portion of the cost of operation of day care centers
19 established by redevelopment project area businesses to
20 serve employees from low-income families working in
21 businesses located in the redevelopment project area. For
22 the purposes of this paragraph, "low-income families"
23 means families whose annual income does not exceed 80% of
24 the municipal, county, or regional median income, adjusted
25 for family size, as the annual income and municipal,
26 county, or regional median income are determined from time

1 to time by the United States Department of Housing and
2 Urban Development.

3 (12) Costs relating to the development of urban
4 agricultural areas under Division 15.2 of the Illinois
5 Municipal Code.

6 (13) Costs of operations, infrastructure, and
7 programming of not-for-profit veterans and military
8 organizations located within the redevelopment project
9 area, including organizations designated as tax-exempt
10 organizations under Section 501(c)(19) of the federal
11 Internal Revenue Code.

12 Unless explicitly stated herein the cost of construction
13 of new privately-owned buildings shall not be an eligible
14 redevelopment project cost.

15 After November 1, 1999 (the effective date of Public Act
16 91-478), none of the redevelopment project costs enumerated in
17 this subsection shall be eligible redevelopment project costs
18 if those costs would provide direct financial support to a
19 retail entity initiating operations in the redevelopment
20 project area while terminating operations at another Illinois
21 location within 10 miles of the redevelopment project area but
22 outside the boundaries of the redevelopment project area
23 municipality. For purposes of this paragraph, termination
24 means a closing of a retail operation that is directly related
25 to the opening of the same operation or like retail entity
26 owned or operated by more than 50% of the original ownership in

1 a redevelopment project area, but it does not mean closing an
2 operation for reasons beyond the control of the retail entity,
3 as documented by the retail entity, subject to a reasonable
4 finding by the municipality that the current location
5 contained inadequate space, had become economically obsolete,
6 or was no longer a viable location for the retailer or
7 serviceman.

8 No cost shall be a redevelopment project cost in a
9 redevelopment project area if used to demolish, remove, or
10 substantially modify a historic resource, after August 26,
11 2008 (the effective date of Public Act 95-934), unless no
12 prudent and feasible alternative exists. "Historic resource"
13 for the purpose of this paragraph means (i) a place or
14 structure that is included or eligible for inclusion on the
15 National Register of Historic Places or (ii) a contributing
16 structure in a district on the National Register of Historic
17 Places. This paragraph does not apply to a place or structure
18 for which demolition, removal, or modification is subject to
19 review by the preservation agency of a Certified Local
20 Government designated as such by the National Park Service of
21 the United States Department of the Interior.

22 If a special service area has been established pursuant to
23 the Special Service Area Tax Act or Special Service Area Tax
24 Law, then any tax increment revenues derived from the tax
25 imposed pursuant to the Special Service Area Tax Act or
26 Special Service Area Tax Law may be used within the

1 redevelopment project area for the purposes permitted by that
2 Act or Law as well as the purposes permitted by this Act.

3 (q-1) For redevelopment project areas created pursuant to
4 subsection (p-1), redevelopment project costs are limited to
5 those costs in paragraph (q) that are related to the existing
6 or proposed Regional Transportation Authority Suburban Transit
7 Access Route (STAR Line) station.

8 (q-2) For a transit facility improvement area established
9 prior to, on, or after the effective date of this amendatory
10 Act of the 102nd General Assembly: (i) "redevelopment project
11 costs" means those costs described in subsection (q) that are
12 related to the construction, reconstruction, rehabilitation,
13 remodeling, or repair of any existing or proposed transit
14 facility, whether that facility is located within or outside
15 the boundaries of a redevelopment project area established
16 within that transit facility improvement area (and, to the
17 extent a redevelopment project cost is described in subsection
18 (q) as incurred or estimated to be incurred with respect to a
19 redevelopment project area, then it shall apply with respect
20 to such transit facility improvement area); and (ii) the
21 provisions of Section 11-74.4-8 regarding tax increment
22 allocation financing for a redevelopment project area located
23 in a transit facility improvement area shall apply only to the
24 lots, blocks, tracts and parcels of real property that are
25 located within the boundaries of that redevelopment project
26 area and not to the lots, blocks, tracts, and parcels of real

1 property that are located outside the boundaries of that
2 redevelopment project area.

3 (r) "State Sales Tax Boundary" means the redevelopment
4 project area or the amended redevelopment project area
5 boundaries which are determined pursuant to subsection (9) of
6 Section 11-74.4-8a of this Act. The Department of Revenue
7 shall certify pursuant to subsection (9) of Section 11-74.4-8a
8 the appropriate boundaries eligible for the determination of
9 State Sales Tax Increment.

10 (s) "State Sales Tax Increment" means an amount equal to
11 the increase in the aggregate amount of taxes paid by
12 retailers and servicemen, other than retailers and servicemen
13 subject to the Public Utilities Act, on transactions at places
14 of business located within a State Sales Tax Boundary pursuant
15 to the Retailers' Occupation Tax Act, the Use Tax Act, the
16 Service Use Tax Act, and the Service Occupation Tax Act,
17 except such portion of such increase that is paid into the
18 State and Local Sales Tax Reform Fund, the Local Government
19 Distributive Fund, the Local Government Tax Fund and the
20 County and Mass Transit District Fund, for as long as State
21 participation exists, over and above the Initial Sales Tax
22 Amounts, Adjusted Initial Sales Tax Amounts or the Revised
23 Initial Sales Tax Amounts for such taxes as certified by the
24 Department of Revenue and paid under those Acts by retailers
25 and servicemen on transactions at places of business located
26 within the State Sales Tax Boundary during the base year which

1 shall be the calendar year immediately prior to the year in
2 which the municipality adopted tax increment allocation
3 financing, less 3.0% of such amounts generated under the
4 Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax
5 Act and the Service Occupation Tax Act, which sum shall be
6 appropriated to the Department of Revenue to cover its costs
7 of administering and enforcing this Section. For purposes of
8 computing the aggregate amount of such taxes for base years
9 occurring prior to 1985, the Department of Revenue shall
10 compute the Initial Sales Tax Amount for such taxes and deduct
11 therefrom an amount equal to 4% of the aggregate amount of
12 taxes per year for each year the base year is prior to 1985,
13 but not to exceed a total deduction of 12%. The amount so
14 determined shall be known as the "Adjusted Initial Sales Tax
15 Amount". For purposes of determining the State Sales Tax
16 Increment the Department of Revenue shall for each period
17 subtract from the tax amounts received from retailers and
18 servicemen on transactions located in the State Sales Tax
19 Boundary, the certified Initial Sales Tax Amounts, Adjusted
20 Initial Sales Tax Amounts or Revised Initial Sales Tax Amounts
21 for the Retailers' Occupation Tax Act, the Use Tax Act, the
22 Service Use Tax Act and the Service Occupation Tax Act. For the
23 State Fiscal Year 1989 this calculation shall be made by
24 utilizing the calendar year 1987 to determine the tax amounts
25 received. For the State Fiscal Year 1990, this calculation
26 shall be made by utilizing the period from January 1, 1988,

1 until September 30, 1988, to determine the tax amounts
2 received from retailers and servicemen, which shall have
3 deducted therefrom nine-twelfths of the certified Initial
4 Sales Tax Amounts, Adjusted Initial Sales Tax Amounts or the
5 Revised Initial Sales Tax Amounts as appropriate. For the
6 State Fiscal Year 1991, this calculation shall be made by
7 utilizing the period from October 1, 1988, until June 30,
8 1989, to determine the tax amounts received from retailers and
9 servicemen, which shall have deducted therefrom nine-twelfths
10 of the certified Initial State Sales Tax Amounts, Adjusted
11 Initial Sales Tax Amounts or the Revised Initial Sales Tax
12 Amounts as appropriate. For every State Fiscal Year
13 thereafter, the applicable period shall be the 12 months
14 beginning July 1 and ending on June 30, to determine the tax
15 amounts received which shall have deducted therefrom the
16 certified Initial Sales Tax Amounts, Adjusted Initial Sales
17 Tax Amounts or the Revised Initial Sales Tax Amounts.
18 Municipalities intending to receive a distribution of State
19 Sales Tax Increment must report a list of retailers to the
20 Department of Revenue by October 31, 1988 and by July 31, of
21 each year thereafter.

22 (t) "Taxing districts" means counties, townships, cities
23 and incorporated towns and villages, school, road, park,
24 sanitary, mosquito abatement, forest preserve, public health,
25 fire protection, river conservancy, tuberculosis sanitarium
26 and any other municipal corporations or districts with the

1 power to levy taxes.

2 (u) "Taxing districts' capital costs" means those costs of
3 taxing districts for capital improvements that are found by
4 the municipal corporate authorities to be necessary and
5 directly result from the redevelopment project.

6 (v) As used in subsection (a) of Section 11-74.4-3 of this
7 Act, "vacant land" means any parcel or combination of parcels
8 of real property without industrial, commercial, and
9 residential buildings which has not been used for commercial
10 agricultural purposes within 5 years prior to the designation
11 of the redevelopment project area, unless the parcel is
12 included in an industrial park conservation area or the parcel
13 has been subdivided; provided that if the parcel was part of a
14 larger tract that has been divided into 3 or more smaller
15 tracts that were accepted for recording during the period from
16 1950 to 1990, then the parcel shall be deemed to have been
17 subdivided, and all proceedings and actions of the
18 municipality taken in that connection with respect to any
19 previously approved or designated redevelopment project area
20 or amended redevelopment project area are hereby validated and
21 hereby declared to be legally sufficient for all purposes of
22 this Act. For purposes of this Section and only for land
23 subject to the subdivision requirements of the Plat Act, land
24 is subdivided when the original plat of the proposed
25 Redevelopment Project Area or relevant portion thereof has
26 been properly certified, acknowledged, approved, and recorded

1 or filed in accordance with the Plat Act and a preliminary
2 plat, if any, for any subsequent phases of the proposed
3 Redevelopment Project Area or relevant portion thereof has
4 been properly approved and filed in accordance with the
5 applicable ordinance of the municipality.

6 (w) "Annual Total Increment" means the sum of each
7 municipality's annual Net Sales Tax Increment and each
8 municipality's annual Net Utility Tax Increment. The ratio of
9 the Annual Total Increment of each municipality to the Annual
10 Total Increment for all municipalities, as most recently
11 calculated by the Department, shall determine the proportional
12 shares of the Illinois Tax Increment Fund to be distributed to
13 each municipality.

14 (x) "LEED certified" means any certification level of
15 construction elements by a qualified Leadership in Energy and
16 Environmental Design Accredited Professional as determined by
17 the U.S. Green Building Council.

18 (y) "Green Globes certified" means any certification level
19 of construction elements by a qualified Green Globes
20 Professional as determined by the Green Building Initiative.

21 (Source: P.A. 102-627, eff. 8-27-21.)